

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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GREENSTREET FINANCIAL, L.P., a 07 CIV 8005 (KNF)
Delaware Limited Partnership,

Plaintiff,

-against-

ANSWER TO
AMENDED COMPLAINT

CS-GRACES,LLC, a New York Limited
Liability Company, and
RH LODGING SERVICES, LLC, a New
York Limited Liability Company, and
ALAN FRIEDBERG,

Defendants.

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Defendants, CS-Graces, LLC ("CS-Graces") and RH Lodging Services, LLC,
(RH Lodging), by Kalter, Kaplan, Zeiger & Forman, their attorneys, answering the
plaintiff's Amended Complaint, respectfully: -

PARTIES

1. Deny knowledge or information sufficient to form a belief as to the allegations contained in the paragraph of the Amended Complaint designated "1".
2. Admit each and every allegation contained in the paragraphs of the Amended Complaint designated "2", "3" and "4".

DIVERSITY JURISDICTION UNDER 28 U.S.C. §1332

3. Deny knowledge or information sufficient to form a belief as to the allegations

KALTER, KAPLAN
ZEIGER & FORMAN

ATTORNEYS AT LAW
WOODBOURNE, N.Y. 12788

contained in the paragraph of the Amended Complaint designated "5".

4. Admit each and every allegation contained in the paragraphs of the Amended Complaint designated ""6", "7", "8" and "9".

VENUE

5. Admit each and every allegation contained in the paragraphs of the Amended Complaint designated "10", "11", "12" and "14".

6. Deny knowledge or information sufficient to form a belief as to the allegations contained in the paragraphs of the Amended Complaint designated "13".

FACTS COMMON TO ALL CLAIMS

7. Admit each and every allegation contained in the paragraphs of the Amended Complaint designated "15", "16", "17", "20", "21" and "22", "45", "47", "58", 60" and "64".

8. Deny knowledge or information sufficient to form a belief as to the allegations contained in the paragraphs of the Amended Complaint designated "18", "19", "23", "24", "25", "26", "27", "28", "29", "30", "31", "32", "33", "34", "35", "36", "37", "38", "39", "40", "41", "42", "43", "44" "46", "48", "49", "50", "51", "52", "53", "54", "55", "56"and "68".

9. Deny each and every allegation contained in the paragraphs of the Amended Complaint designated "61", "62", "63" and "66".

10. Deny the allegations contained in the paragraph of the Amended Complaint designated "57", except admit that on January 30, 2006 the Smul Trust transferred its

membership interest to CS-Graces as reflected in Exhibit "I" of the Amended Complaint.

11. Deny the allegations contained in the paragraph of the Amended Complaint designated "59", except admit that Joseph Tso owns a 49% membership interest in CS-Graces, participates in decisions of that company, and is an attorney at law.

12. Deny the allegations contained in the paragraph of the Amended Complaint designated "65", except admit that CC-Graces is currently operating RH Lodging and has not provided plaintiff with financial information pursuant to plaintiff's request.

13. Deny the allegations contained in the paragraph of the Amended Complaint designated "67", except admit that the action against these defendants in the State of Florida has been dismissed.

FIRST CAUSE OF ACTION

Repayment of the Note (Against Friedberg)

14. Deny or admit to the same extent as plaintiff realleges each and every allegation as set forth in paragraph "69" of the Amended Complaint.

15. Deny knowledge or information sufficient to form a belief as to the allegations contained in the paragraphs of the Amended Complaint designated "70", "71" and "72".

SECOND CAUSE OF ACTION

Foreclosure (against CS-Graces and RH Lodging)

16. Deny or admit to the same extent as plaintiff realleges each and every allegation as set forth in paragraph "73" of the Amended Complaint.

17. Deny knowledge or information sufficient to form a belief as to the allegations contained in the paragraphs of the Amended Complaint designated "74", "75", "76", "77", "78" and "80".

18. Deny knowledge or information sufficient to form a belief as to the allegations contained in the paragraph of the Amended Complaint designated "79", except admit that the Smul Trust transferred its membership interest in RH Lodging to CS-Graces.

19. Deny the allegations contained in the paragraph of the Amended Complaint designated "81", except admit that plaintiff seeks in this action to foreclose its claimed security interest in the Smul LLC membership interest in RH Lodging.

THIRD CAUSE OF ACTION

Declaratory Judgment (against all Defendants)

20. Deny or admit to the same extent as plaintiff realleges each and every allegation as set forth in paragraph "82" of the Amended Complaint.

21. These defendants will leave the issue of law and determination of the plaintiff's allegations in paragraphs "83" and "92" of the Amended Complaint to the Court.

22. Deny knowledge or information sufficient to form a belief as to the allegations contained in the paragraphs of the Amended Complaint designated "84" and "85".

23. Deny the allegations contained in the paragraph of the Amended Complaint

designated "86", except deny knowledge or information sufficient to form a belief as to whether plaintiff perfected a security interest.

24. Deny the allegations contained in the paragraph of the Amended Complaint designated "87", except deny knowledge or information sufficient to form a belief whether Friedberg defaulted on a note.

25. Deny the allegations contained in the paragraph of the Amended Complaint designated "88", except admit that the Smul Trust conveyed its interest in RH Lodging to CS-Graces.

26. Deny each and every allegation contained in the paragraphs of the Amended Complaint designated "89" and "91.

27. Deny the allegations contained in the paragraph of the Amended Complaint designated "90", except admit that CS-Graces claims it owns 100% of the membership interest of RH Lodging.

FOURTH CAUSE OF ACTION

Accounting (against Defendant RH Lodging)

28. Deny or admit to the same extent as plaintiff realleges each and every allegation as set forth in paragraph "93" of the Amended Complaint.

29. Deny each and every allegation contained in the paragraphs of the Amended Complaint designated "94", "95", "96", "99" and "100".

30. Admit each and every allegation contained in the paragraphs of the Amended Complaint designated "97" and "98".